



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
Housing and Community Development Corporation of Hawaii

News Release

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GOVERNOR

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**HCDCH AWARDS TAX CREDITS TO DEVELOP
NEW AFFORDABLE RENTALS**

HONOLULU – The Board of Directors of the State Housing and Community Development Corporation of Hawaii (HCDCH) yesterday approved the allocation of more than \$12.3 million in Low-Income Housing Tax Credits over 10 years to two private developers for the construction and rehabilitation of 91 low-income affordable rental units.

The bulk of these credits are made available by the federal government. The state component is set by Hawaii law at 30 percent of the federal credit.

“Governor Lingle has noted that the low income Housing Tax Credit program is an important tool to facilitate cooperation between the state and federal governments and the private sector to work toward a common cause, the development of affordable housing to benefit the people of Hawaii,” said HCDCH Acting Executive Director Robert J. Hall. “In Hawaii, the Low-Income Housing Tax Credit program has been instrumental in creating high quality housing at affordable rents”.

Located in Nanakuli and Wailuku, each of the two projects offers affordable opportunities for lower income seniors. Both projects awarded also have a restricted affordability term of at least 51 years.

The projects awarded Low Income Tax Credits are:

The Nanaikeola Senior Apartments: Hawaii Intergenerational Community Development Association (HICDA), a not-for-profit organization was awarded over \$3.03 million in Federal and State Low Income Housing Tax Credits over 10 years to develop Nanaikeola Senior Apartments. The project is located in Nanakuli on the Island of Oahu.

The project consists of 30 1-Bedroom units with rents ranging from \$363 to \$605 per month. Three units will be dedicated for seniors earning 30% of the Area Median Income (AMI) or less and 27 units for tenants earning up to 50% AMI. Common-area amenities include a computer room, library and dining area. The developer will also coordinate services and activities to tenants.

The project is part of a larger mixed-use development of 70 affordable housing units and an adult day care facility that will be operated by the Waianae Coast Comprehensive Medical Center.

Mike Allison, President of HICDA said, “The Low Income Housing Tax Credits will allow HICDA to develop much needed affordable housing on the leeward coast. The Nanaikeola Senior Apartments will enhance the lives of seniors living on the leeward coast through housing and services.”

Lokenani Gardens: The Ooka Supermarket Ltd. was awarded over \$9,190,000 in Federal and State Low Income Housing Tax Credits over 10 years for Lokenani Gardens. Lokenani Gardens is located in downtown Wailuku on the island of Maui. The project is located across the street from the Ooka Super Market owned by the developer.

When complete, the project will create 61 new affordable rental units for seniors. Rents for 61 1-Bedroom units are \$595 per month. All 61 units will be available for seniors earning 50% AMI. Garden plots will be available for residents to grow flowers and vegetables.

Byron Ooka, President of Ooka Supermarket Ltd said, “This is an opportunity for our family to invest in the community through the development of affordable housing for seniors. This development would not be possible without the cooperation of the State of Hawaii and the HCDCH. The Low Income Housing Tax Credits enable us to give an affordable housing alternative for seniors in Maui.”

Federal and State Low Income Housing Tax Credits provide necessary incentives to stimulate private sector investment, construction and maintenance of affordable rental housing. The Low Income Housing Tax Credits may be used by the property owners to obtain a reduction in income tax liability for 10 years.

The owners may choose to sell the Low Income Housing Tax Credits to investors for funds to develop the project. The Low Income Housing Tax Credit is typically leveraged with other state and federal assistance and investment from the private

sector to increase the feasibility of a rental project and provide the lowest rental rates possible.

For more information on HCDCH or the Low Income Housing Tax Credits, please contact Darren Ueki at 587-0567.

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